

A-E CONTRACTING BULLETIN 96-01, 20 AUG 96

1. I'm finally getting to a project that I have had in mind for a while: setting up a USACE-wide E-mail group of A-E contracting POC's. Using this quick and easy communications tool I can advise you of changes in regulations, clarify/discuss current issues, and share ideas for improving the A-E contracting process in USACE. If you want to distribute something to the group, E-mail it to me. I'll add my thoughts and send it out. I'll keep up the bulletin numbering sequence so you can tell if you missed one.

2. Attached is my first cut at the POC list that I used to distribute this message. There is one person each in EN and CT at divisions and districts. I put the division chief where I didn't have a staff-level POC. **Please E-mail me any changes to this list.** If you aren't the right person, please tell me who should be. I would then expect the POC's to locally distribute the bulletins to all concerned team members.

3. NEW AFARS. The AFARS was completely revised effective 1 June. See your CT for a copy. The main changes affecting A-E contracting are:

- \$100K threshold for legal review eliminated and each command allowed to set its own policy. An EFARS change will be forthcoming that will raise the legal review limit to \$500K, while encouraging review of lesser contract actions which are unusual or complex. This should be a big help on task orders.

- BCM's eliminated. Hurray! Instead, for ALL negotiated actions, the prenegotiation objectives must be documented in a Prenegotiation Objective Memorandum (POM) and the negotiation results documented in a Price Negotiation Memorandum (PNM). See new AFARS 15.807 and 15.808. This is really nothing more than what the FAR requires, except Army created a new term- POM. See further discussion under the paragraph on Engineer Acquisition Letter (EAL) 96-3.

- Detailed restrictions on A-E IDC eliminated and USACE given authority to "establish appropriate controls on the use of indefinite-delivery contracts for architect-engineering services by subordinate contracting offices." EAL 96-3 established these new controls.

4. EAL 96-3. This set of EFARS changes was issued 12 July, mainly in response to the new AFARS. See your CT for a copy. The two main changes affecting A-E contracting are:

- POM/PNM: The new EFARS 15.807 makes clear that a POM is the prenegotiation portion of a PNM. Hence, you start the PNM before negotiation (called a POM at this stage) and complete it after negotiation. New EFARS 15.807 and 15.808 state that POM and PNM will be "prepared, reviewed and approved in accordance with local procedures." Also, EFARS 15.807 discourages review and approval of

the POM for "small or routine actions", and encourages review and approval of the PNM concurrently with the contract instrument. Bottom-line: Districts have the full flexibility to design an efficient preparation, review and approval process for negotiated actions, including A-E.

- A-E IDC: Forget all of the old rules on IDC. Study new EFARS 36.601-3-90 carefully. A few highlights: An annual IDC acquisition strategy is required. New limit is \$1M/contract period, where a contract period may not exceed 1 year. There is no specific limit on task orders (per FAR 16.501-1, task orders are for services and delivery orders are for supplies), other than not exceeding the contract limit. Base period plus two option periods is authorized. An option period may be exercised when the amount of the current period is exhausted. I'll cover more details on IDC in a later bulletin.

5. WAGE RATES FOR SURVEYING AND MAPPING (S&M) CONTRACTS. Get a copy of CIR INFORMATION LETTER NO. 96-3, 26 July 1996, from your labor relations specialist in Counsel. This new policy solves a big problem in applying the Service Contract Act to S&M contracts. Based on an agreement we made with the Dept. of Labor, wage rates may now be based on the location of the performing office, and not the location of the work, which could change weekly, daily or even hourly. This should greatly simplify the negotiation and administration of S&M contracts.

6. That's enough for now. I'm committed to keeping this going. I trust that you will find it beneficial.